

Shawn Curry
ChairpersonDaniel Hopkins
Vice-ChairpersonPaul Swanlund
SecretaryElizabeth Holleb
TreasurerLee Catavu
TrusteeMark Poulos
TrusteeMichael Inman
TrusteePhil Suess
TrusteeBrad Cole
Trustee

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
BOARD OF TRUSTEES REGULAR MEETING MINUTES**

THURSDAY, NOVEMBER 10, 2022 AT 9:00 A.M.

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held via the Zoom Digital Platform in accordance with the Gubernatorial Disaster Proclamation issued on 10-14-2022 and Public Act 101-0640. Members of the public were invited to participate remotely or in person pursuant to the meeting notice and agenda.

TRUSTEES PRESENT: Shawn Curry
Daniel Hopkins (*joined at 9:11 a.m.*)
Paul Swanlund
Elizabeth Holleb
Lee Catavu
Mark Poulos
Michael Inman
Phil Suess (*joined at 9:13 a.m.*)
Brad Cole

TRUSTEES ABSENT: None

OTHERS PRESENT: Richard White, Executive Director
Kent Custer, Chief Investment Officer
Gina Tuczak, Finance Director/Assistant Executive Director
Steve Yoon, Investment Officer
Barb Meyer, Investment Officer
Shaun Ivey, Administrative Analyst
Kate Cobb, Administrative Analyst
Bukola Bello, Governmental Liaison, Vision M.A.I. Consulting
Rick Reimer, General Counsel, Reimer Dobrovlny & LaBardi PC
Taylor Muzzy, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP
Scott Whalen, General Investment Consultant, Verus Advisory
Stephanie Masson, Chief Financial Officer, Lauterbach & Amen, LLP
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Chairperson Curry called the meeting to order at 9:02 a.m.

ROLL CALL: As reflected above.

Executive Director White introduced Katherine "Kate" Cobb, IPOPIF Administrative Analyst, to the Board. Her effective date of hire was on November 1, 2022. Executive Director White provided background information on Ms. Cobb's education and recent employment history. Chairperson Curry welcomed Ms. Cobb to the Fund.

MEETING MINUTES: *Review/Approve July 8, 2022 Regular Board Meeting Minutes and Closed Session:* The Board reviewed the draft meeting minutes of the July 8, 2022 regular meeting. The closed session minutes were deferred to the next meeting to be reviewed in closed session with General Counsel. A motion was made by Trustee Inman and seconded by Trustee Swanlund to approve the July 8, 2022 regular meeting minutes. Motion carried by roll call vote.

AYES: Trustees Curry, Swanlund, Holleb, Catavu, Poulos, Inman, and Cole

NAYS: None

ABSENT: Trustees Suess and Hopkins

Approve September 9, 2022 and October 14, 2022 Regular Board Meeting Minutes: The draft minutes were tabled to the next meeting for review and approval.

GOVERNMENTAL LIAISON'S REPORT: *November 2022:* Governmental Liaison Bello informed the Board that the Fall Veto Session will occur from November 15th-17th and November 29th-December 1st. At this time, there were no new updates to share with the Board.

INVESTMENTS: *Investment/Transition Updates:* CIO Custer reviewed his Investment Update presentation with the Board. Transfer updates on Tranches 8-10 were discussed in detail. CIO Custer informed the Board that 18 pension funds were scheduled to transfer assets on December 1st. If all 18 pension funds transfer assets on or about December 1st, a total of approximately \$624 million will be transferred bringing total assets under IPOPIF management to \$8.4 billion. A progress update on the certification process for Tranche 10 was discussed with the Board.

Trustee Hopkins joined at 9:11 a.m.

The pension funds not yet scheduled to transfer assets were reviewed with the Board. The 33 pension funds represent 18 pension funds that have not transferred and 15 pension funds that are litigation plaintiffs. CIO Custer stated that the transition period ends on December 31st. Staff has been putting in all their effort to transfer as many pension funds as possible prior to the close of the transition period. Staff will not proceed with any future transfers after the close of the transition period, until further action is taken by the Board.

Trustee Suess joined at 9:13 a.m.

Investment operations updates were briefly discussed with the Board, along with a summary of the participant fund cash transactions. All questions were answered by CIO Custer.

Trustee Cole requested that a formal written notice is provided to the 18 pension funds that do not transfer by the December 31st deadline for their noncompliance to the Statute. He also requested that the Attorney General's office is notified of all noncompliant pension funds. CIO Custer stated that Trustee Cole's request was reasonable, and Staff would confer with Fiduciary Counsel to determine the best course of action to proceed and will report back to the Board. All questions were answered by Attorney Reimer, Attorney Muzzy, and CIO Custer. Attorney Muzzy will work with Staff to develop communication. Further discussion will be held at the next meeting.

CIO Custer reviewed the investment performance for the month of September 2022. The investment performance for the month ended September 30, 2022 was as follows: Overall (6.7%), Investment Pool (6.6%), Policy Benchmark (6.7%), and Broad Benchmark (8.3%). The asset allocation as of November 8, 2022 was as follows: 51.1% Growth, 15.7% Income, 9.1% Inflation Protection, and 24.1% Risk

Mitigation. CIO Custer briefly reviewed the rebalancing transaction initiated on October 11th to reduce the overweight in Risk Mitigation to Growth. All questions were answered by CIO Custer.

Approve Termination of Transition Management Contract Negotiations: CIO Custer reviewed a memorandum dated November 4, 2022 regarding the “BlackRock Transition Management Agreement Update & Recommendation” with the Board. He noted that BlackRock was selected by IPOPIF in 2021 as one of the five transition managers to provide transition management services, pending successful contract negotiations. Contract negotiations were postponed for several months as other transition management agreements were negotiated, and asset transitions were prioritized. He advised the Board that all of the terms were agreed upon in August 2022, except for one provision pertaining to Section 12(d) regarding Internal Controls and Cyber Security. Attorney Muzzy provided background information on the cyber security language that could not be negotiated by Staff and Fiduciary Counsel with BlackRock but was approved by the other Transition Managers. CIO Custer recommended that the Board approve the termination of transition management agreement negotiations with BlackRock. CIO Custer noted that he hopes to work with BlackRock in the future. All questions were answered by Attorney Muzzy and CIO Custer. A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve the termination of transition management agreement negotiations with BlackRock. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

LEGAL UPDATES: *General Legal Counsel's Report – Discuss Performance Evaluation of Executive Director and Chief Investment Officer:* Attorney Reimer stated that the Trustees have the authority to enter into closed session to discuss the performance evaluations for the Chief Investment Officer and Executive Director.

CLOSED SESSION: A motion was made by Trustee Poulos and seconded by Trustee Inman to enter closed session at 9:39 a.m. in accordance with the 5 ILCS 120/2(c)(1) exception to discuss the performance evaluations for the Chief Investment Officer and Executive Director. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

A motion was made by Trustee Holleb and seconded by Trustee Swanlund to return to open session at 10:40 a.m. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Attorney Reimer stated that the Board met in closed session in accordance with the 5 ILCS 120/2(c)(1) exception. The closed session was video and audio recorded as required by law, and no final action was taken. The Board directed General Counsel to proceed as discussed in closed session.

ADMINISTRATION AND OPERATIONS: Finance – Approve September 2022 Monthly Financial Report: Executive Director White stated that the September 2022 Monthly Financial Report would be presented for review at the next meeting.

Summary of Payments – Ratify Warrants #49, #50, and #51: The Board reviewed Warrants 49, 50, and 51 with payments totaling \$237,003.00. Trustee Suess recommended that the invoices listed on the disbursement warrants are not included in the agenda packets moving forward. Trustee Holleb agreed with Trustee Suess' recommendation and inquired if a policy revision would be needed to incorporate this change. She stated that Trustees could request a copy of invoices from staff if they would like to review the details. A motion was made by Trustee Suess and seconded by Trustee Hopkins to ratify Warrants 49, 50, and 51. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Approve Resolutions Designating Authorized Signers for Lake Forest Bank & Trust and State Street Bank & Trust Accounts: Executive Director White reviewed a memorandum dated November 10, 2022 regarding the "Resolutions to Approve Authorized Signers to Accounts" with the Board. He informed the Board that updates to the authorizer signers list at Lake Forest Bank & Trust and State Street Bank & Trust should be updated to include additional staff. The draft resolutions and proposed signers were reviewed with the Board. The proposed authorized signers on the Lake Forest Bank & Trust account included Shawn Curry, Elizabeth Holleb, Richard White, and Regina Tuczak. The proposed authorized signers on the State Street Bank & Trust account included Richard White, Kent Custer, Regina Tuczak, Steve Yoon, and Barbara Mayer. All questions were answered by Executive Director White. A revised resolution will be presented at the next meeting to add Lauterbach & Amen as an authorized signer to the Lake Forest Bank & Trust account. A motion was made by Trustee Holleb and seconded by Trustee Hopkins to approve the resolutions designating authorized signers for Lake Forest Bank & Trust, and State Street Bank & Trust as provided in the agenda packet. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Approve Board and Committee Meeting Schedule for Calendar Year 2023: Executive Director White reviewed a memorandum dated November 10, 2022 regarding the "2023 Board of Trustees Meeting Schedule" with the Board. The proposed meeting dates were as follows: January 27, March 10, April 14, June 9, July 21, September 15, October 13, and December 15, 2023. All meetings would be conducted in Suite 420 at the Peoria office located at the Twin Towers Plaza, 456 Fulton Street, Peoria, IL 61602. All of the proposed meetings will begin at 9:00 a.m.

Executive Director White suggested that three dates are delegated to committee meetings in the calendar year 2023. The proposed committee meeting dates were as follows: February 10, May 19, and November 9, 2023. The meeting times would be determined at a later date. The meetings would be held at the Peoria office. However, consideration would be given to holding these meetings remotely in accordance with any disaster proclamation that is place or amendments that are made to the Open Meetings Act. Additional committee meetings in the third quarter may be scheduled as necessary.

Trustees Hopkins and Poulos recommended that Board meetings are held at various locations throughout Illinois to be more accessible to the membership of the Fund. Executive Director White acknowledged Trustees Hopkins and Poulos' recommendation. A motion was made by Trustee Cole and seconded by Trustee Hopkins to approve the meeting dates as presented. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Trustee Holleb left the meeting at 11:01 a.m.

Board Policies and Procedures: Executive Director White reviewed a memorandum dated November 10, 2022 regarding the "Approval of Board Policies" with the Board. He presented the following policies to the Board for review and consideration:

Approve Revised Purchasing Policy (PP-2020-11): Executive Director White reviewed the proposed revisions to the Purchasing Policy with the Board. All questions were answered by Executive Director White and Attorney Muzzy. A motion was made by Trustee Catavu and seconded by Trustee Hopkins to approve the Purchasing and Professional Services Contracting Policy, as amended. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: Trustee Holleb

Approve Contract Committee Policy: Executive Director White reviewed the proposed Contract Committee Policy with the Board. All questions were answered by Executive Director White. A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve the Contract Committee Policy. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: Trustee Holleb

Approve Revised Board of Trustee Policy (PP-2020-01): Executive Director White reviewed the proposed revisions to the Board of Trustee Policy with the Board. All questions were answered by Executive Director White. Trustee Cole recommended that the proposed revision to Governance Section 3(f) is deleted, and the original language is maintained. Executive Director White agreed with Trustee Cole's recommendation. A motion was made by Trustee Suess and seconded by Trustee Swanlund to approve the proposed revisions to the Board of Trustee Policy, as discussed. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: Trustee Holleb

Approve Revised Municipal Reimbursement Policy (PP-2020-10): Executive Director White reviewed the proposed revisions to the Municipal Reimbursement Policy with the Board. All questions were answered by Executive Director White. A motion was made by Trustee Suess and seconded by Trustee Hopkins to approve the revised Municipal Reimbursement Policy. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: Trustee Holleb

Trustee Holleb returned to the meeting at 11:24 a.m.

Administration and Operations Updates: Executive Director White discussed various administrative and operations updates with the Board. He discussed recent organizational developments and provided status updates on actuarial valuation reports and the Annual Comprehensive Financial Report (ACFR). The first two batches totaling 21 actuarial valuation reports are complete and were distributed to the applicable pension fund's Authorized Agents and posted to the website along with a user guide. The development of the ACFR is ongoing. The report will be more extensive now that investment assets are under management. The Audit and Budget Committee is scheduled to meet at the end of November, and a progress update will be provided at the meeting.

Trustee Inman left the meeting at 11:37 a.m.

Executive Director White reviewed recent updates to the website along with communication outreach. All questions were answered by Executive Director White.


LEGAL UPDATES (CONTINUED): *Fiduciary Legal Counsel's Report:* There was nothing new to report to the Board.

PUBLIC COMMENT: There were no comments from the public.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Swanlund and seconded by Trustee Hopkins to adjourn the meeting at 11:44 a.m. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

Respectfully submitted by:




Allie Rysell, Plan Administrator
Foster & Foster, Inc.

Approved by:



Shawn Curry, Board Chairperson



Paul Swanlund, Board Secretary

Date Approved by the Board of Trustees: February 10, 2023

The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on December 9, 2022 in accordance with Governor Pritzker's Executive Order in effect on the date and time of the meeting and Public Act 101-0640.